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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 71
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 71's Bill Analysis](#)

Version: As Reported by Senate Government Oversight & Reform

Primary Sponsors: Reps. Scherer and Cera

Local Impact Statement Procedure Required: No

Jean J. Botomogno, Principal Economist

The bill makes certain changes to the statutorily prescribed minimum sales prices of cigarettes in Ohio. Overall, the bill has no direct fiscal effect on the state or political subdivisions.

The bill prohibits a cigarette wholesaler to recklessly advertise or sell cigarettes at less than its cost except under specified conditions and if approved by the Tax Commissioner. In cases where a wholesaler would like to deviate from prescribed minimum prices for a cash and carry sale to a retailer, the Tax Commissioner may require such wholesaler, when filing proof of different cost of doing business, to have an independent certified public accountant certify that the calculation of the wholesaler's cost of doing business has been made in accordance with generally accepted accounting principles.

Furthermore, the bill proposes to enact section 1333.13 of the Revised Code regarding cigarette minimum pricing between wholesalers. When one wholesaler sells cigarettes to another wholesaler, the selling wholesaler is not required to include in the selling price its full cost, and the purchasing wholesaler will be considered the wholesaler upon resale to a cigarette retailer for purposes of cigarette law.

Additional details are available in the LSC bill analysis.